

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION</b>	)	
<b>OF PROJECT MUTUAL TELEPHONE</b>	)	<b>CASE NO. PRJ-T-04-1</b>
<b>COOPERATIVE FOR AN INVESTMENT</b>	)	
<b>TAX CREDIT FOR INSTALLING</b>	)	
<b>QUALIFIED BROADBAND EQUIPMENT.</b>	)	<b>ORDER NO. 29579</b>
	)	

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On August 9, 2004, Project Mutual Telephone Cooperative (Project Mutual) filed an Application requesting that the Commission find the Company eligible to receive an Idaho Investment Tax Credit. Pursuant to *Idaho Code* § 63-3029I, an Idaho taxpayer may receive a tax credit for installing “qualified broadband equipment” in Idaho. To be eligible for the tax credit, the taxpayer must obtain from the Commission an Order confirming that the installed equipment meets the definition of qualified broadband equipment set out at *Idaho Code* § 63-3029I(3)(b). Briefly, qualified broadband equipment must be capable of transmitting signals at a rate of at least 200,000 bits per second (bps) to a subscriber and at least 125,000 bps from a subscriber. In the case of a telecommunications carrier, the qualified broadband equipment must also “be necessary to the provision of broadband service and an integral part of a broadband network.” *Idaho Code* § 63-3029I(3)(b)(i). In this Order, we find that Project Mutual has installed qualified broadband equipment.

**THE APPLICATION**

Project Mutual’s Application states that during 2003 the Company installed various components as part of its wireline and wireless broadband network for the provision of high-speed Internet access to customers in Cassia, Twin Falls, and Minidoka counties. The installed equipment consists of: fiber optic transceivers and Digital Subscriber Line (DSL) modems with supporting line cards, ports and cables; a wireless antenna; and course wave division multiplexing (CWDM) equipment. The Company indicates that the transmission rates are from 256 kilobits per second (kbps) up to 1.54 megabits per second (Mbps). Project Mutual also capitalized the labor and overhead costs associated with the installation of this equipment. The Company has asked for just over \$22,000 of broadband tax credits in the Application.

## STAFF REVIEW

To implement its responsibilities under *Idaho Code* § 63-3029I, the Commission issued Procedural Order No. 28784 in July 2001. This Order identifies information that must be included in an Application for a broadband tax credit. Once the information has been filed, then the Commission Staff reviews the Application and submits a recommendation to the Commission. Staff reviewed the list of broadband equipment submitted by Project Mutual. Staff believes that the equipment is “necessary for the provision of broadband services and an integral part of a broadband network.” *Idaho Code* § 63-3029I(3)(b)(i). Consequently, Staff recommends that the Commission issue an Order approving Project Mutual’s Application.

## FINDINGS

Having reviewed Project Mutual’s Application and Staff’s recommendation, we find that the Application for a qualifying broadband equipment Order should be granted. We find that the broadband equipment identified in the Company’s Application meets the qualifying requirements of *Idaho Code* § 63-3029I(b). We further find that as configured, the installed equipment is an integral part of a broadband network necessary to deliver broadband services to Idaho customers. *Idaho Code* § 63-3029I(3)(b)(i). It is therefore appropriate for the Commission to issue this Order confirming that Project Mutual has installed qualified broadband equipment as a precondition to seeking an Idaho broadband tax credit. The Commission makes no findings regarding the costs of the installed broadband equipment.

## ORDER

IT IS HEREBY ORDERED that Project Mutual Telephone Cooperative’s Application for an Order certifying that it has installed qualifying broadband equipment is granted.

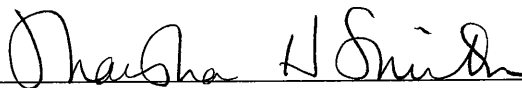
IT IS FURTHER ORDERED that a copy of this Order and a copy of the Application be served upon the Idaho State Tax Commission.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) issued in this Case No. PRJ-T-04-1 may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order issued in this Case No. PRJ-T-04-1. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

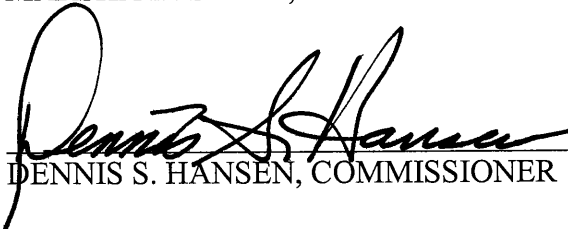
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 2nd  
day of September 2004.



PAUL KJELLANDER, PRESIDENT

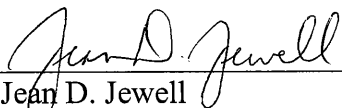


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell  
Commission Secretary

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